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ABSTRACT

Only recently has the need to link rural education programs for workers and economic planning been recognized. This interest in linkages has resulted in a variety of intermediary mechanisms for collaboration. Included among the elements or activities necessary for linking education and economic development are the following: a solid base of information about available resources; keeping the community informed and involved in economic development plans to ensure community support; identification and involvement of both the formal and informal leadership structures of the community; collaboration at all levels and with all sectors of the community and with state, regional, and national organizations and agencies; development of supportive services that enhance the work environment and the community; and thoughtful consideration of the community's values, population makeup, and political environment. Programs containing these elements have been identified at all levels of government and in both the public and private sectors. With this base of knowledge, cooperation, and support, the community can decide which strategy is most appropriate for their effort: concentration on providing educational opportunities, direct job creation, overall community development, or a combination of all three strategies. (Related reports on American rural development are available separately through ERIC--see note.) (MN)

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STATE-OF-THE-ART REPORT

Exemplary Rural Education and Economic Development Initiatives

by: Susan J. White

for: National Institute for Work and Learning
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EXEMPLARY RURAL EDUCATION AND ECONOMIC DEVELOPMENT INITIATIVES

by Susan J. White

Introduction

The economic well-being of workers, communities, and enterprises are inextricably linked. The vitality of enterprises affects the fiscal stability of communities and the economic well-being of workers. Conversely, the skill and productivity of a work force and the quality of community services affect the viability of enterprises. So one might presume that linking education programs for workers and economic development planning would be standard procedure. But in fact, local, state, and federal government, businesses, and community organizations have only recently begun to recognize the need for this linkage.

This new interest in linkages has resulted in a variety of "intermediary" mechanisms for collaboration such as Private Industry Councils (PICs), authorized under Title VII of the Comprehensive Employment and Training Act (CETA); the CETA-Local Education Agency (LEA) agreements required for CETA youth programs; numerous business and organized labor joint programs with community colleges, and locally initiated collaborative work-education and industry-education-labor councils.

Universities also are becoming involved as key institutions with the resources to aid prospective entrepreneurs or existing small businesses. In some instances, state university systems sponsor separately supported, autonomous business research organizations which develop information required for the state's education-economic development efforts.

An example of such a university program is the Alabama International Trade Center (AITC) at the University of Alabama, a counseling, research, and educational center combining the resources of the Small Business Administration, the Department of Commerce, the Governor's Office of International Development, the university itself, and the business community. The AITC provides services to assist the 3,000-5,000 small businesses in Alabama that might be interested in expansion through exporting. AITC uses the academic and research skills of the university faculty and students to provide services which otherwise might be unaffordable.

The Delta Foundation is an example of an intermediary organization, one that has been functioning for a decade. It is a non-profit community development corporation which was organized to develop permanent income-producing businesses and provide employment opportunities for the poor, mostly black residents of the rural Mississippi Delta region. A full range of business and employment opportunities is provided, including management and technical assistance, financing, education, and training. One major component of the Foundation

is the Delta Development and Management Corporation which provides technical and financial assistance to minority businesses and acts as a development finance corporation with straight debt or equity financing. The Foundation also runs the Delta Institute for Management Education. Their activities have resulted in the creation of 700 direct and 1,8[illegible] indirect jobs.

In the same vein, exemplary local programs that are not intermediary efforts (although some are tied to intermediary organizations that link education and economic development) have begun to spring up throughout the country. And, not so surprisingly, many successful ones have been developed and are operating in rural America.

Because rural Americans are often isolated, more often than not allocated an inequitable share of federal funds, and generally do not have the resources available to metropolites, they are naturally very resourceful and have many times, pulled together to maintain the quality of life in their community. These attributes are important to any linkage activity and quite apparent in many of the exemplary programs noted in this chapter.

What are these programs and where are they? What are the elements that are usually present in these programs? What strategies can be used in the development of linkages between education and economic development in other communities, and how do these respond to the needs of rural America?

Elements of Successful Linkage of Education and Economic Development

The pages that follow provide a catalogue of identified elements necessary to linking education and economic development, discussion of their roles in linkaged programs in rural America, and examples that portray one or more of the elements. Because these programs are new, and research on them is generally scarce, this list may not include all the elements that help linkage programs succeed.

The six elements or activities we'll be discussing that have been found to be important to successful linkage efforts are the following:

- o Identification of resources;
- o Development of community support;
- o Leadership;
- o Coordination and collaboration at all levels;
- o Existence of supportive services; and
- o Consideration of the characteristics of the community.

Identification of Resources

Bruno and Wright, in their study of Rural Job Creation use the basic concepts of modern economic development theory, the five "Ms": Materials, Manpower, Markets, Management, and Money.

Perhaps the most important resource that must be identified at an early stage of the linkage process is manpower.

The capabilities of the eixsting labor force must be determined as well as the extent to which these capabilities can be augmented or developed. It must be determined whether those who are unemployed are men, women, youth, senior citizens or handicapped persons, what their skills are, and what their cultural biases and attitudes are." (Bruno and Wright, p. 74)

In recruiting representatives of skill training agencies, one should identify existing vocational/technical schools, community action agencies, and other community-based organizations. If the rural area is served by a CETA prime sponsor as well as a title III section 303 farmworker program, the two CETA programs, in combination, can provide resources for economic development.

Chambers of Commerce and other organizations representing the private sector, such as CETA Private Industry Councils (PICs) or professional organizations of business persons, can be good sources of information on markets, transportation costs, finance, and other technical areas.

Local governments often have staff members with the expertise and contacts essential for education and economic development planning. School boards are the government's conduit for local education's funding, policy, and programs. They should be identified and included. Every state government has agencies with responsibilities for economic development and education. State agencies that proved helpful among rural cases studied by Bruno and Wright included the federal-

state Employment Services, State Agricultural Agents, and, in Massachusetts, the Community Development Finance Corporation.

Federal government resources should also be identified in the beginning stages of a rural linkage initiative--resources such as CETA, the Farmers Home Administration, the Small Business Administration, the Office of Minority Business Enterprises, and the Economic Development Administration. Unfortunately, many of these agencies' budgets are being drastically reduced, and in EDA's case, the present administration is recommending that it be dissolved.

The Moapa Indian program in Nevada is an example of how these federal agencies provided a potpourri of aid for a collaborative venture through CETA, HUD, and EDA. Since 1969, 15 to 20 Moapa men who received on-the-job training (OJT) subsidized by CETA have been working on a variety of construction projects on the reservation. The Moapa Tribal Construction Company was established in 1976, and with the help of HUD housing project grants in 1977 and 1979, now has a licensed manager and, in addition to work on the reservation, bids on other contracts.

A 1976 public works grant for a community center enabled the tribe to purchase a cement truck, and add extra space to the community center to be used for a badly needed grocery store. The store's rent pays the community center's operating costs.

The tribes most recent project is a tomato producing operation. CETA grants provided training for 35 members in all aspects of the tomato growing business. The tribe then risked financing its first half-acre of greenhouses with a bank loan. HUD then came through with a community development block grant (CDBG) which will be used by CETA trainees and the tribe's construction firm to build more greenhouses.

Federal support does not always have to mean money allocated under specific legislation or programs. The Community Reinvestment Act (CRA) is an example of an "enabling" resource that provides leverage at the local level by requiring banks to make an effort to invest in and provide for the credit needs of their communities. CRA offers great potential for credit-starved rural areas and for disadvantaged persons, who also may be unable to obtain credit for start-up and venture capital. It offers communities an economic development tool by allowing them to monitor the performance of banks in providing the necessary credit to maintain existing businesses and to encourage start-up ventures and other new enterprises.

For example, in Broward County, Florida, eight CETA participants graduated from a title VII Private Sector Initiative Program as entrepreneurs. Eight local banks agreed to set aside $80,000 for loans for the CETA program participants who could not meet standard credit requirements. These entrepreneurs are presently operating successful businesses

that were needed by the community, and the banks have agreed to extend credit to future participants in the program.

As this example portrays, private lending institutions are a vital resource, and they should be included in any serious linkage effort, as borrowed capital is a usual requirement of economic development programs.

"Materials" means natural resources such as land, water, and mineral deposits.

With money, manpower, and materials identified, the next steps are market research and management. What products and services are needed or wanted by the community or outside sources? Market research is a must, and Management, the other M, is necessary to aid in such efforts. Bruno and Wright say that "the most effective approach is to hire the required technical and management expertise outright. It needs to be stressed that an individual who is able to relate to and understand the business community with no other distracting responsibilities will have the best change of planning and managing a successful economic development program. Overlooking this major consideration appears to have been the single greatest cause of problems for CETA economic development efforts."

Once the resources and potential resources have been identified, and key organizations and individuals recruited, the foundation for linking education and economic development in rural areas has been laid.

Community Support

The significance of gaining local support for any new effort cannot be over-emphasized. Community residents' quality of life is affected by the results of a linkage effort and their support and possibly even voting power can influence the success or failure of a program. Three steps in gaining community support are imperative:

1) Involving the community;

2) Conducting a needs assessment; and

3) Educating the community.

Tom Gjelton found that ignoring these steps proved detrimental in Hancock County, Maine. In the spring of 1978, voters were asked to approve the expenditure of $479,000 to cover the first-year costs of operating the new vocational school built at a cost of $1.5 million. They authorized instead an operating budget of one dollar, bringing to a halt the state-mandated vocational education program in the county.

Prior to the building of the school and the vote, Maine's State Bureau of Vocational Education had conducted a study to determine where vocational-technical centers or programs, if any, should be located. The study team was composed only of the Bureau Director, State Commissioner, and a few of the state vocational education staff. No one from local communities was on the team. The state decided on regional vocational/technical centers, and the plan was approved by the state legislature. When the state had a planning director attempt to find

out what kind of training local employers in Hancock County wanted, he ran into trouble. This second step was grounded on the presumption that there would be a new vocational program about which the community hadn't been consulted; local advice was sought only beginning with what kind of training programs would be most helpful to employers. The citizens had not been involved from the beginning of the effort, and subsequently they voted against allowing the school to operate.

There was also a lack of an appropriate needs assessment. Hancock County's economy is heavily based on the use of natural resources: wood harvesting, fishing and fish packing, blueberry picking, clamming, and lobstering. But the Bureau noted in their report to the Legislature that "the region has a severe shortage of skilled craftsmen in service areas such as automobile mechanics, carpenters, electricians, plumbers, and retail sales persons." These were the "outsiders" notions of what was lacking. Had local persons been involved, the report might have been written differently.

Finally, the state failed to educate the community and marketing their strategy in an attempt to gain community support. Basically, "there was a failure to build a strong and persuasive case for the idea of vocational education. In rural Maine, vocational education has been subject to ambiguous definition and stigmatization. Indeed, the investigators of the 1962 study of vocational education in Maine found that in most of the state's high schools, the "abler" students were not

allowed to enroll in vocational education courses." (Tom Gjelton, Hancock, Maine. A paper) This may or may not be the case now, but the state vocational educators failed to persuade the residents of Hancock County of the value of vocational education or to gain their support.

Bruno and Wright also found that the packaging and marketing of a program is important. For example, community support frequently depends upon the labels used to describe the participants. "A program to help handicapped workers won favor only when the label was changed to 'non-competitive job seekers.' Similarly, employers participated in training programs designed to help unemployed people after declining to participate in programs for 'welfare recipients'."

Leadership

"Dedicated leadership at the local level is the most outstanding feature common to all successful programs." (Krishan Paul, Ellen Carlos, Voc Ed Journal, American Vocational Association, March, 1981) The quality and diversity of leadership are important elements in linking education and economic development in rural America because of the skill and knowledge needed to handle the inevitable conflicts, competition, and overlapping authority among agencies.

Any linkage effort should involve the formal and informal leaders of a community. Formal leaders are the typically visible cadre of business persons, appointed and elected

officials, and directors of the traditional community institutions such as hospitals or associations.

The informal leaders are less visible but equally important citizens. Many times these individuals come from long-standing families of the area who wield a considerable amount of influence, retired members of the formal leadership network who are still sought out for advice, and formally or informally organized grassroots groups of residents who have their and their children's quality of life at stake. In a very small rural town which has a less complex set of organizations, associations, and institutions, this informal structure may be the only form of real leadership.

It may be difficult, in fact, to define the leadership and it behooves whoever is attempting to do so, to determine whether there is a specific individual or "gatekeeper" who has access to the power structure, and therefore to the resources in that community. This person's support could determine whether a coordinated and cooperative leadership group for linking education and economic development is cultivated.

In sparsely populated, spread-out rural areas, it may be necessary to tap leaders in several locations to form a consortium. Unfortunately, this is not always as simple as it sounds. "Efforts are often hindered by jurisdictional squabbling and a proliferation of agencies or groups trying to promote growth. Small towns only a few miles apart often have such intense rivalries that instead of pooling resources,

they work secretly to lure a firm to the area without letting a neighboring community know. This approach can reduce seriously the ability of governments to finance needed regional services." (Bruno and Wright, p. 27)

It may prove difficult to recruit rural leaders, but once they are involved, they can prove to be extremely dedicated. The very characteristics that make them difficult to convince--commitment to the community and to insuring its values, having a stake in the community, and independence and self-motivation--add up to excellent leadership potential.

It must be stressed that broad-based leadership is important. It ensures representation of all sectors in the community, which is important to the concept of linkages. Where economic development is accompanied by population growth, existing facilities and service delivery systems can be strained beyond effective capacity. If all sectors are involved in the decision-making processes, it is more likely that balanced growth will take place as it allows everyone to be responsive to the changes that result from educational and economic development.

Broad-based leadership also infers a reservoir of necessary skills. Leaders need to understand people and social services; have organizational skills; be able to work with the private sector and know marketing, finance, and management; know the education system; and understand the government at all levels, including grant writing and legislation. All of

these are essential characteristics and abilities. They cannot all be found in one person.

Coordination and Collaboration at all Levels

The development of linkages implies the building of cooperative relationships between and among a variety of actors who previously may not have communicated. Effective collaboration usually grows out of sharing either common objectives or divergent but complementary objectives. The more thorough and complex the linkage initiative is, the greater number of agencies that are likely to be involved.

Fundamental to effective cooperation among concerned organizations and agencies at the community level are how clearly each participant's role in the linkage program has been spelled out; how realistic a participant's task is to achieve' and the participant's competencies, attitudes, understanding, and commitment. The Staff at the Economic Development Institute cited the organizational structure of a linkage program as having been a major element in the successful coordination of a Youth Agricultural Entrepreneur Demonstration Project (YAEDP) that they are helping to manage. This project has so many sources of funding and so many participating agencies, that capacities and capabilities of participants had to be realized at the outset.

Few collaborative linkage efforts have used extensive written agreements between agencies, although such an agree-

ment can represent the degree of commitment and what each participant can actually be expected to contribute. When agreements are put in writing, points of misunderstanding can surface. This may be very healthy as it affords opportunities for resolution of problems that would have ultimately emerged--possibly at a more untimely stage.

Once the conditions of coordination have been established they must be monitored, providing feedback to all involved parties. Objective feedback allows for change and growth, and provides a forum for handling conflict.

Sharing credit for accomplishments achieved through coordination is an excellent way of nurturing linkages, and will provide a sense of "group pride" and cohesiveness.

Advisory boards often serve as useful mechanisms in establishing and maintaining collaboration. A board can review and critique plans while providing an objective viewpoint that helps in maintaining the perspectives of the participants. The advisory board can be especially useful for a rural community in reducing the resistance that sometimes develops when "outsiders" are involved in a local linkage effort.

Another important way linkages may be nurtured is through frequent, informal meetings between individuals or among groups. "It is axiomatic that good communication is essential to good coordination. Informality is conducive to the openness that makes issues clear. In such interchanges, participants can cross lines of organizational hierarchy which permits managers

of one agency to confer informally with the line staff of another agency to learn more about problems or routine procedures." (Bruno and Wright, p. 92)

Up to this point, collaboration at the local level has been stressed. Collaboration at the regional, state, and federal levels is also necessary, especially if those levels have pertinent resources--and they usually do.

Regional coordination was touched upon in the previous leadership section, and its importance for small diffused populations cannot be overemphasized.

States represent a planning level with the advantage of control, directly or indirectly, of a considerable amount of resources. State-level resources are particularly relevant now that the administration and Congress are attempting to retarget categorical social monies through block grants. The states would have authority for allocating the federal dollars. Bruno and Wright concur that an examination of 18 states revealed that improvement of employment and training and development of vocational-technical training and adult education are the most frequent economic development strategies engaged in by state governments.

For Gratiot County, Michigan, collaboration, not only at the local level, through the Mid-Michigan Community Action Council, but with the state level, has proven most beneficial. Going well beyond the traditional CETA activities, Michigan's Comprehensive Employment Program, funded from the Governor's

special set-aside grant, directed the preparation of an overall economic development plan. In rural Gratiot County, the plan is being closely followed and is already producing new jobs, many of them for CETA trainees.

Local vocational training programs have been used in collaboration with state-wide job creation efforts to attract new industry, revitalize existing industry, and expand and diversify a state's economic base.

Collaboration with the federal level of government is also necessary, due to the vast resources that can be made available to rural communities. Sometimes this is the most frustrating level for rural people to deal with. The bureaucracy is notorious for its vast and complex programs and regulations. If a local area can hook up with an intermediary agency, either state or national, they can often find valuable technical assistance in wading through the federal establishment.

Supportive Services

Supportive services are an important element because rural communities are isolated and many times lack the central service centers available in metropolitan areas. When targeting linkage programs for low-income residents in rural areas, many federal programs have not taken into account the expenses of running decent, responsive programs. If a rural community is really serious about developing its human resource potential, it must recognize that a productive workforce must be

healthy, have decent living quarters, have a place to leave their children during work hours, and have transportation to get to work.

The Utah Migrnat Council (UMC) in Spring Lake, Utah is an example of a program that was geared heavily toward supportive services and then moved into improving housing for migrant workers, training construction workers, and now plans to begin solar fruit and vegetable drying operations. The Council has the overall goal of providing supportive services to those who wish to remain in agriculture and of providing alternatives to farm worker families who choose to leave agricultural work.

In an effort to get better health care to the farm workers, the UMC has established three migrnat health clinics in areas of heavy farm worker concentration. The UMC pre-school project operates five pre-school centers for migrant children. An emergency assistance program enables the UMC to provide crisis intervention or short-term assistance to migrant and seasonal farmworkers and their families, primarily in the form of food vouchers, food stamp purchases, and travel assistance.

The UMC also operates an employment and training program whose primary purpose is to provide training and educational opportunities to migrant and seasonal farm workers, ultimately leading to full-time employment.

The Spring Lake Housing and Development Project obtained older housing and renovated it and constructed a fruit dryer and greenhouse. CETA funds provided development monies to

plan the project, funds for construction trainees and supervisors, and for technical assistance.

The combining of supportive and training activities with a development effort has resulted in the elimination of many problems that plague other development projects. Transportation of trainees to the job site was accomplished by using a UMC van. Trainees with language, housing, or other problems were eligible for help under the UMC emergency assistance program; those with health needs were eligible for UMC health clinic services; and trainees with young children could use the UMC Head Start program. This umbrella of supportive services is one reason this project was able to proceed so quickly. (Bruno and Wright, Case Studies).

Consideration of the Characteristics of the Community

Finally, the success of any education/economic development effort will be in large part determined by the degree to which the community's environment has been considered. The planning group must have an understanding of the characteristics of the population, the cultural values, the political environment, and the resources available to the community. If the linkage effort has already searched out a broad-based leadership and conducted a needs assessment while enlisting community support, the environment will become known.

Population is an important consideration in rural areas because government programs tend to allocate funds on this

basis, using unemployment and AFDC public welfare recipients as indicators of numbers of people in need. Although the inequities of this approach in terms of federal rural aid have been widely documented, nonetheless it is a reality. In planning coordinated efforts it should be determined whether a rural area will be eligible for the funds planned for program use. Again, this is where a consortium of communities might qualify for aid, as under the CETA Balance of State.

One also needs to undetstand the cultural values of rural people. "Some of the work habits in rural parts of the country--particularly among farmers and the self-employed--have to do with attitudes toward time. While industrial life has relied on the motor and time themes of Fredrich Taylor, farm life has always operated on a natural cycle, governed by the sun, the seasons and the weather. The agricultural worker and the small businessman are more independent, used to fashioning their own work schedule rather than working under rules set down by others." (Stuart Rosenfeld, "Different Voc's for Rural Folks: Vocational Education in the Country," NIE, 1979) Taking these factors into account, a linkage effort should consider small scale business development and aid to entrepreneurs rather than large scale industrial economic development "just because it creates jobs."

Politics can also play an important role in rural development efforts. In half of the programs studied by Bruno and Wright, local government resisted the economic development

effort. Those projects that had the support of elected officials reported fewer problems. Typical problems enumerated by projects facing resistance of the local power structure were inability to secure venture capital from lending institutions, difficulty in overcoming zoning restrictions and other regulatory requirements, difficulty in accessing markets for goods produced, and difficulty in effecting good working relationships with agencies that could provide needed resources.

Strategies for Linking Education and Economic Development

This section attempts to identify three basic strategies that can be used to link education and economic development. Each strategy has its virtues and its drawbacks and none is a panacea for complete economic and individual health. With complex linkages occurring more frequently, it is becoming difficult to isolate these strategies. What really differentiates them is emphasis.

In pursuing linkages, every rural community must decide whether to emphasize education; job creation; or overall community development, based on the assessed needs of the area, and what the community will support. Every community is different, and this should be kept in mind when exemplary programs are identified. The circumstances of a particular community that make a strategy work may not exist somewhere else.

Strategies that Emphasize Education

A major reason industries don't locate where the rural poor are heavily concentrated is the generally lower quality

of the labor force. An education strategy can be important in improving labor quality by increasing the basic skills and educational attainment of people already in the work force and those preparing to enter it.

Where basic skills are not a problem, education and training initiatives have until recently assumed that unemployment was basically structural in nature--that if people had the requisite sets of skills and attitudes they would find meaningful work. For many people this has been the case, but in depressed, isolated rural areas with few or no job opportunities this assumption has proven false. This is evidenced in rural America by the high rates of underemployment and by the recurrent outmigration patterns. In an effort to balance the supply and demand sides of the labor market, attention has increasingly turned toward linking education programs with economic development efforts.

Lately, education, with vocational education playing a predominant role, has been offered as an incentive to attract industry to some states. It is questionable whether such a process is education for individual development or merely an economic development strategy that considers the training and education needs of the enterprise rather than those of the individual. These programs are billed as "free training." South Carolina is well known for its statewide efforts in attracting the private sector through its special for-industry state-subsidized job training program.

South Carolina's "Special Schools" program claims to be the country's oldest program in state subsidized direct training for industry. In order to compete with other states and to provide industry with a constant stream of trained personnel, sixteen postsecondary technical centers were built to provide two-year and four-year degree programs. These programs are geared toward responding quickly to the needs of industry. Recruitment, screening, and testing of trainees is usually done by state agencies, with industry intimately involved. No trainee who enters the program is guaranteed a job, nor are any of them paid during the training sessions.

"Although public officials claim that their special job training programs help create new jobs there is no independent evidence to support this hypothesis. Furthermore, the argument that vocational training is in itself a significant factor for attracting industry can be considered questionable. Massachusetts, for example, with the highest per capita expenditures for vocational education in 1976 experienced one of the lowest rates of job growth between 1970 and 1978. At the same time, Arizona, New Hampshire, and Texas, with vocational per capita expenditures far below the national average, were experiencing some of the highest job growth rates in the country." (Bob Goodman, "Free Training," NIE report)

Another concern with special job training programs as a strategy for linking education and economic development is that "there is a need for a more diverse set of skills in the country,

contrary to the trend in industry toward more and more specialization." (Stuart Rosenfeld, "Different Voc's for Different Folks," p. 24) There is evidence that the jobs that people are trained for are so specialized that they don't allow for job shifts even within the same industry. The choices become more limited for the workers and if they choose to change jobs or lose a job, they must be retrained.

In these programs,too, the curriculum and the criteria for who gets trained and what they get trained for, are completely determined by industry. The issue of the private sector's influence over public educaition is an old and controversial one.

The selection process is also a concern when allowing the private sector to intercede in who shall be educated. "In South Carolina, Special Schools help to skin only the most suitable applicants according to industry's criteria. State officials say that this often translates into screening out people with union backgrounds or sympathies, avoiding areas with high minority populations and assigning jobs by sex-role stereotypes." (Goodman, p. 38)

Finally, this approach ignores the local level, community involvement and support elements as requirements for successfully linking education and economic development in rural America. The decisions are made at the state level with private enterprises, and the needs of the community--whether they even want economic development--are rarely, if ever, considered.

There are other ways in which an education strategy has been used to successfully link education and economic development in rural areas. Staples, Minnesota, as studied and written about by Tom Gjelton, began to approach their decaying economy through the schools. They developed a top rate vocational curriculum, with the support of the entire community, and marketed their quality school system. Ultimately the strategy looked like an overall community development approach, although the emphasis still remained on education. One of the elements which Staples has maintained and which has contributed to its success is local level involvement and investment. This is what is lacking in the South Carolina training approach.

Another way in which an education strategy can take the lead role in linking education and economic development is in the establishment of rural school-based development enterprises. This requires the creation of an organization under the sponsorship of a rural school district, whose purpose is two-fold: (1) to function as a full-fledged community development corporation working for the economic and social welfare of the community as a whole, and (2) to provide vocational and career training for rural high school students that is relevant both to their own needs and the needs of their community as identified through a school-based development corporation. These enterprises are being developed in six rural Arkansas communities. (Rural School-Based Development Enterprises Report.)

Direct Job Creation Strategies

In the area of labor market policy, this country is increasingly seeing a major redirection of legislative and program authority--away from designs meant to change the productivity of individual workers through subsidized, public sector education, training, and other support services, and toward direct job creation efforts--the "demand" side of the labor market. Direct job creation strategies are either targeted to specific populations or industries or non-targeted.

Targeted job creation policies have two major objectives. The first objective is an increase in labor demand for specific groups in the economy such as youth, minorities, the handicapped, or those with little education or skills. Because normal labor demand for these groups is often inadequate when other groups are fully employed, they are referred to as the structurally unemployed. Because these groups tend to be found at the bottom of the earnings distribution, the reduction of the number of persons below the poverty level is a second objective of targeted job creation efforts.

Targeted job creation programs include direct public service employment and employment subsidy designed to create jobs in the private sector.

Most prominent among public sector targeted job creation programs is the Comprehensive Employment and Training Act (CETA). The 1976 amendments reserved 250,000 job slots for disadvantaged workers and by 1979, 43 percent

of the nearly 700,000 CETA jobs were being performed by the structurally unemployed.

Targeted job creation is also the basic approach when programs use federal funds to train people in programs that eventually become income generating themselves. Under CETA, (Title I, Sec. 123(h)), a funded program becomes a for-profit enterprise, employing and training disadvantaged persons. In some cases, the goal of the project is for these people to eventually become self-employed. In some rural areas, this is proving to be a way of assisting unskilled populations, realizing small scale development, aiding in making a reality the strong rural tendencies toward self-employment, and supplying needed goods and services to the community. The Youth Agricultural Entrepreneurship Demostration Project (YAEDP) exemplifies this approach).

YAEDP is being conducted under an interagency agreement between the Farmer's Home Administration (FmHA), the Science and Education Administration--Extension (SEA-Ext) of the Department of Agriculture, the Office of Youth Programs of the Department of Labor, and the Office of Economic Development of the COmmunity Services Administration. The grantees are located in Toa Bajo, Puerto Rico; El Rito, New Mexico; and Molokai, Hawaii.

The purpose of the project is to assess the viability of creating agricultural support services, with part of the objective being to provide training and work experience to unemployed rural youth between the ages of 16 and 21 who

are elementary or high school drop-outs. The projects are designed to demonstrate that farming and other agriculturally related occupations are viable career objectives for these youth and that underused agricultural resources, as well as other complementary trades such as marketing of farm produce or supplies, or diesel mechanics can become sources of income and jobs in depressed rural areas. Institutes, the organizations under which the projects operate, coordinate and provide support services to youth including basic education, vocational and business skills training, counseling, technical assistance and financial aid to assist them in pursuing careers in agriculture once they have completed the two year program.

The projects are also designed to operate agricultural or agriculturally related businesses with the objective of generating program income which will off-set federal subsidies and eventually allow the institutes to be self-sufficient.

The Institute for Economic Development, Washington, D.C., is representative of an intermediary, as it provides monitoring and technical assistance services to the YAEDPs under another grant from FmHA, in the areas of grant financial management, curriculum and business development services.

The issue of targeting has presented some problems to the YAEDPs, due to the CETA eligibility criteria. The New Mexico project exemplifies the difficulties of using CETA targeted monies for many rural areas. The CETA money

used for training in the projects is very specific in determining the eligibility of participants--in this case, 16-21 year old school drop-outs. Due to the sparsely populated New Mexico area, project operators had to reach out into the more isolated areas to find potential enrollees. Transportation to and from the Institute had to be provided for, and in this particular instance, the buses were consistently unreliable. As a result, the participants spent a great amount of time commuting. Subsequently, many dropped out. Through extensive time, effort, and commitment, the project has overcome the majority of problems, but these circumstances are representative of the lack of sensitivity that federal programs, in general, have for special rural problems. If the eligibility guidelines were not as stringent, the project could have served the area in which it is located more adequately.

Another approach to targeted job creation is directed at employers. Targeted programs can reduce the employer's wage bill by paying for training, for example. Or there can be direct subsidies to employers as in the Targeted Jobs Tax Credit (TJTC). The tax credit equals 50 percent of the first $6,0-0 of wage cost for the first year of employment of any newly hired person from a designated set of categories--youths from low-income families and disabled workers among them.

For rural America the issue of targeting has presented many problems. CETA generally has been developed with a metropolitan bias. Measurements of need such as unemployment

and numbers of households receiving public aid, have resulted in the provision of less than adequate resources to rural areas.

The second kind of direct job creation is nontargeted. This approach is an aggregate stimulative policy based on the theory that monetary incentives to the private sector will contribute to its expanded growth and development and to the creation of jobs. Non-targeted job creation policies focus on enterprise development rather than individual development, assuming that a trained or trainable work force exists and that unemployment is basically cyclical in nature.

Proponents of this approach point to what they see as excessive problems with targeted job creation programs, which are exceedingly difficult to design and administer, particularly in isolated rural areas, and more costly than a general expansion of aggregate demand.

In the purest sense, the non-targeted approach provides incentives, usually in the form of tax allowances to the private sector, and does not address who will be employed or what services can prepare people for employment.

A more flexible strategy may include the involvement of some government monies although the objective of the program is still to assure the success of an enterprise or to attract business.

Examples of incentives for nontargeted direct job creation that take place through government subsidized programs are technical assistance to small businesses,

venture development (loans for start-up capital, acquisition, expansion), and cooperative development.

For example, small business management programs are geared toward increasing the trainee's knowledge and understanding of economic and business principles, improving operational and recordkeeping skills, strengthening problem solving skills in response to changes in the economy and markets, and strengthening a manager's ability to link with other community sectors. Most small business management programs are community based, frequently operating out of a local college or university. Courses are sometimes taken to the trainees by offering them in store front classrooms and nearby public school facilities. Typically, these programs involve community colleges, adult continuing education centers, and the agricultural cooperative extension service. Classes involve small group meetings, monthly on-site instruction and consultation, frequently supplemented by special classes on advertising, marketing, and sales. (Bushnell, "The Role of Vocational Education in Economic Development," p. 32)

A program which exemplifies the provision of technical assistance to small businesses is the Economic Development Laboratory of the Engineering Experiment Station at Georgia Institute of Technology, established by the Economic Development Administration (EDA). The program was set up in response to small business persons' needs for direct, personal guidance in resolving specific technical problems. The delivery system involves an outreach effort from the University via industrial extension divisions. The approach

involves one-on-one consultations between entrepreneurs and the Center's agents who work on site and draw upon the University's technical capabilities. The program offers services to 154 counties in Georgia. These counties are the most depressed in the state and have inadequate employment opportunities, which has resulted in high unemployment, poverty, and out-migration. By stimulating expansion, diversification, and formation of small enterprises, the Economic Development Administration hopes to address these problems. (Case Study Profiles, Project Need It, the Entrepreneurship Institute)

Community Development Strategies

If, as many economists have defined it, economic development has two equally important components, this third strategy may be a preferable approach for many communities. These two components have been described as:

(1) economic growth, which refers to increases in employment and earnings; and

(2) community development, which refers to improving the quality of life and includes more and better schools, roads, hospitals, recreation, and many other tangible and intangible qualities that make a community better for its citizens.

It seems illusory that economic and individual growth and progress can be advanced if community development is overlooked. Unfortunately, for many small towns and rural areas, there has been a cycle of underdevelopment. If there

are few people and a bare minimum of profitable enterprises, the tax base is too small to support public service and overall community needs. An outmigration of financial resources means that the tax base has been eroded and community services become less and less adequate. A cycle develops because the lack of public and community services also hinders economic development.

In such instances the elements of community support and involvement, cooperation, leadership, and resource identification can play a vital role in determining a community's destiny.

Community development strategies imply concern for and investment in the total community, and the belief that a long-term developmental effort is the soluation to continued economic and individual growth. Community development advocate linkages between education and economic development, and linkages include not only education institutions and business, but all sectors of the community. Success through this strategy can probably be best realized through an intermediary that is unbiased and does not, at least openly, emphasize either education or economic development.

This strategy requires many activities to occur and be maintained such as the provision of technical and financial assistance to increase the capacity of agencies and businesses to initiate job-creation activities and to prepare people for jobs; the development and sustainment of information sharing networks; the development of adequate infra-

structures--physical upgrading of schools, roads, and water and sewer facilities; and a commitment to serve everyone, including the disadvantaged populations residing in the area, or moving in, due to increases in labor demand. This strategy further assumes that the chosen leaders for the linkage effort will be representative of every sector in the community in order to meet the total community needs.

The Delta Foundation exemplifies an organization that has pursued a community development approach to linking education and economic development in the Mississippi Delta region. The population, mostly black, is among the very poorest in the United States, with few essential services available within the community.

"The key elements to replication depend on strong community involvement. Not only does the Board represent various community organizations, but it provides a strong sense of communication between the Foundation and the community it serves. Its objective is to foster labor-intensive opportunities which represent models for other development projects. The Foundation has also recognized the need to plan for and adapt to change. By basing all of its activities within the community concept, it has developed a synergistic relationship with that community." (Case Study Profiles, Project Need It, the Entrepreneurship Institute, p. 73)

Summary

Although research is limited on initiatives to link education and economic development in rural areas, we are able to reach some preliminary conclusions about what has worked well in these relatively new efforts and there are some exemplary programs we can look to for instruction. Rural groups beginning new initiatives or working on on-going efforts at linkages would do well to keep in mind the elements that appear to be important in successful efforts:

- o A solid base of information about resources available to your project;
- o Keeping your community informed and involved in economic development plans in order to assure community support;
- o Identification and involvement of both the formal and informal leadership structures of the community;
- o Collaboration at all levels and with all sectors of the community and with state, regional, and national organizations and agencies;
- o Development of supportive services that enhance the work environment and the community; and
- o Thoughtful consideration of the community's values, population makeup, and political environment.

With this base of knowledge, cooperation, and support, the community can decide which strategy is most appropriate for their effort: concentration on provision of education

opportunities, direct job creation, overall community development, or a balanced combination of all three strategies to answer their community's particular needs.